

PORT OF BREMERTON
Kitsap County, Washington
January 1, 1991 Through December 31, 1991

Schedule Of Findings

1. The Port Needs To Resolve Their Attorney's Eligibility For Membership In The Public Employees Retirement System (PERS) With The Washington State Department Of Retirement Systems (DRS)

In March 1992, the port commissioners voted to appoint their contracted attorney, Mr. Gordon Walgren, as a port employee and to make retirement contributions to the Washington State Public Employees Retirement System (PERS) on his behalf. Mr. Walgren previously worked for the port under a personal service contract for legal consulting during the period January 1989 to March 1992. In May 1992, Mr. Walgren applied for an early retirement program authorized by the state legislature. In July 1992, DRS initially determined that Mr. Walgren's work at the port did not qualify for PERS membership and denied his early retirement application. Mr. Walgren has filed an appeal with the DRS and is awaiting a hearing on the matter.

RCW 41.40.023 states in part:

Membership in the retirement system shall consist of all regularly compensated employees and appointed and elected officials . . . with the following exceptions . . .

(9) Persons rendering professional services to an employer on a fee, retainer, or contract basis or when the income from these services is less than fifty percent of the gross income received from the person's practice of a profession . . .

The port commissioners believed that Mr. Walgren met all the criteria for employment, and that employing Mr. Walgren would result in a cost savings to the port.

We recommend the port resolve this issue of eligibility with DRS.